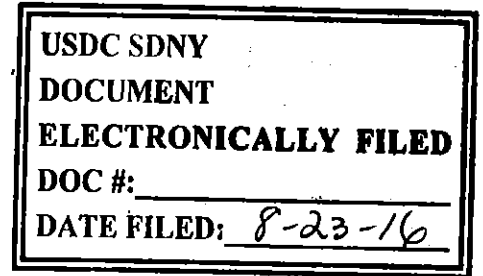


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
UNITED STATES OF AMERICA :  
 :  
-v.- :  
 :  
DEREK GALANIS, :  
 :  
Defendant. :  
 :  
----- X

CONSENT PRELIMINARY ORDER OF  
FORFEITURE/MONEY JUDGMENT

S1 15 Cr. 643 (PKC)



WHEREAS, on August 10, 2016, DEREK GALANIS (the "Defendant"), and others, were charged in an eight-count Superseding Indictment, S1 15 Cr. 643 (PKC) (the "Superseding Indictment"), with conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371 (Counts One and Six); securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2 (Counts Two and Seven); conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349 (Count Three); wire fraud, in violation of Title 18, United States Code, Sections 1343 and 2 (Count Four); Investment Advisor Fraud in violation of 15, United States Code, Sections 80b-6 and 80b-17 (Count Five); and misprision of a felony, in violation of Title 18, United States Code, Section 4 (Count Eight);

WHEREAS, the Superseding Indictment included a forfeiture allegation as to Counts One through Seven of the Superseding Indictment seeking, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, the forfeiture of any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of the offenses alleged in Counts One through Seven of the Superseding Indictment;

WHEREAS, on August 15, 2016, the Defendant pled guilty to Counts One and Two of the Superseding Indictment, pursuant to a plea agreement with the Government, wherein the Defendant admitted the forfeiture allegation with respect to Counts One and Two of the Superseding Indictment and agreed to forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, a sum of money equal to \$19,038,650.53 in United States currency, representing any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of the offenses alleged in Counts One and Two of the Superseding Indictment; and

WHEREAS, the Defendant consents to the entry of a money judgment in the amount of \$19,038,650.53 in United States currency, any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of the offenses alleged in Counts One and Two of the Superseding Indictment;

IT IS HEREBY STIPULATED AND AGREED, by and between the United States of America, by its attorney Preet Bharara, United States Attorney, Assistant United States Attorneys Rebecca Mermelstein, Brian R. Blais, and Aimee Hector, of counsel, and the Defendant, and his counsel, Anthony Brass, Esq., that:

1. As a result of the offenses charged in Counts One and Two of the Superseding Indictment, to which the Defendant pled guilty, a money judgment in the amount of \$19,038,650.53 in United States currency (the "Money Judgment") shall be entered against the Defendant. This Defendant shall be jointly and severally liable for the Money Judgment with co-defendants charged in the Superseding Indictment and in the underlying Indictment, 15 Cr. 643.

2. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, upon entry of this Consent Preliminary Order of Forfeiture/Money Judgment, this Consent

Preliminary Order of Forfeiture/Money Judgment is final as to the Defendant, DEREK GALANIS and shall be deemed part of the sentence of the Defendant, and shall be included in the judgment of conviction therewith.

3. All payments on the outstanding Money Judgment shall be made by postal money order, bank or certified check, made payable, in this instance to the "United States Marshals Service," and delivered by mail to the United States Attorney's Office, Southern District of New York, Attn: Money Laundering and Asset Forfeiture Unit, One St. Andrew's Plaza, New York, New York 10007, and shall indicate the Defendant's name and case number.

4. Upon execution of this Consent Preliminary Order of Forfeiture/Money Judgment and pursuant to Title 21, United States Code, Section 853, the United States Marshals Service shall be authorized to deposit the payments on the Money Judgment in the Assets Forfeiture Fund, and the United States shall have clear title to such forfeited property.

5. Pursuant to Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure, upon entry of this Consent Preliminary Order of Forfeiture/Money Judgment the United States Attorney's Office is authorized to conduct any discovery needed to identify, locate or dispose of the property, including depositions, interrogatories, requests for production of documents and to issue subpoenas, pursuant to Rule 45 of the Federal Rules of Civil Procedure.

6. The Court shall retain jurisdiction to enforce this Consent Preliminary Order of Forfeiture/Money Judgment, and to amend it as necessary, pursuant to Rule 32.2(e) of the Federal Rules of Criminal Procedure.

7. The Clerk of the Court shall forward three certified copies of this Consent Preliminary Order of Forfeiture/Money Judgment to Assistant United States Attorney Jason H.

Cowley, Chief of the Money Laundering and Asset Forfeiture Unit, One St. Andrew's Plaza,  
New York, New York 10007.

8. The signature page of this Consent Preliminary Order of Forfeiture/Money  
Judgment may be executed in one or more counterparts, each of which will be deemed an  
original but all of which together will constitute one and the same instrument.

AGREED AND CONSENTED TO:

PREET BHARARA  
United States Attorney for the  
Southern District of New York

By: Rebecca Mermelstein  
REBECCA MERMELSTEIN  
BRIAN R. BLAIS  
AIMEE HECTOR  
Assistant United States Attorney  
One St. Andrew's Plaza  
New York, New York 10007  
Tel.: (212) 637-2360/2521/2203

8/15/16  
DATE

DEREK GALANIS  
DEFENDANT


By: Derek Galanis  
DEREK GALANIS

8/15/16  
DATE

By: Anthony Brass  
ANTHONY BRASS  
Attorney for Defendant  
3223 Webster Street  
San Francisco, CA 94123  
(415) 922-5462

8/15/16  
DATE

SO ORDERED:

  
\_\_\_\_\_  
HONORABLE P. KEVIN CASTEL  
UNITED STATES DISTRICT JUDGE

8-17-16  
\_\_\_\_\_  
DATE